

# **EXHIBIT 42**

D2S8CITC

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE CITIGROUP, INC.  
SECURITIES LITIGATION

07 Cv. 9901 (SHS)

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February 28, 2013  
10:10 a.m.

Before:

HON. SIDNEY H. STEIN

District Judge

APPEARANCES

KIRBY McINERNEY LLP  
Attorneys for Plaintiffs  
BY: IRA M. PRESS  
PETER S. LINDEN  
ANDREW M. McNEELA

ENTWISTLE & CAPPUCCI  
Attorneys for Plaintiffs  
BY: JONATHAN H. BEEMER

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
Attorneys for Defendants  
BY: RICHARD A. ROSEN  
JANE B. O'BRIEN

Also present:

THEODORE FRANK, Objector (by telephone)

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1 I am also denying that area of his requests which seek  
2 to know how much the contract attorneys -- I think the  
3 plaintiffs call them project specific attorneys -- are paid.  
4 The law is quite clear that the issue for me is what a  
5 reasonable fee is. The issue is what the market pays for the  
6 various attorneys. That's Arbor Hill. There is a whole line  
7 of cases on that. The issue of how much profit there is in  
8 this for the plaintiffs' attorneys I think is not relevant to  
9 my inquiry under the law; that is, I am not supposed to look at  
10 the difference between the costs to the plaintiffs' firms and  
11 what a reasonable fee is. The issue is what the market rate is  
12 for these people. So I am not going to grant any discovery in  
13 regard to what these people are being paid.

14 However, I do think it's relevant, and something I  
15 would like to know, as to what the qualifications and  
16 reputations and skills of the contract attorneys are. And I  
17 know the declarations put in by the plaintiffs' attorneys say,  
18 oh, they are the same as our regular attorneys, and some went  
19 to fabulous law schools and others have had a great deal of  
20 experience with CDO issues and others have worked on these  
21 projects before. I understand that. But I think the Court and  
22 Mr. Frank are entitled to specifics so that we can get beyond  
23 the generalities and take a look and see if in fact the  
24 contract attorneys do have comparable skills, experience and  
25 reputations to the attorneys who are regular employees of the

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1 law firms.

2 That's one area that I want. And I will be specific.  
3 I have a list here. I will tell you what specifically I want.

4 Another area that I think I want information on, and I  
5 believe Mr. Frank does as well, is to get a better feel for the  
6 extent of duplication of effort, if any, and so I will talk  
7 about that.

8 Here is the list of what I want and you will have to  
9 make it available. You will file it and therefore it will be  
10 available to Mr. Frank as well.

11 The plaintiffs' attorneys have already offered to  
12 submit the daily time records, and I want that. And when I say  
13 plaintiffs' attorneys, I am not only talking about Kirby  
14 McInerney, although obviously that's the bulk of it, but you're  
15 going to be responsible for all of the plaintiffs' firms.

16 I do want the daily time records. I think the case  
17 law in the Second Circuit read tightly is that there should be  
18 contemporaneous time records filed with the Court so I am going  
19 to ask for those. I can't tell you what format they should  
20 use. I certainly don't want truckloads of documents. I assume  
21 disks are better, but I will leave that to you. That's one  
22 thing, daily time records of the attorneys, contemporaneous  
23 time records if they are available.

24 Secondly, there was, in my recollection, a substantial  
25 amount of time spent on, I will characterize it as internecine

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1 straightforward. There were not that many physical  
2 conferences. So that's a third bundle of information.

3 A fourth bundle of information is expenses, and this  
4 can be very straightforward. If there was a policy for travel,  
5 that it had to be economy or business or first, I want to know  
6 that. If it's free play, that is, you did whatever you want, I  
7 am going to need a breakdown of what was economy, what was  
8 business, and what was first class, in terms of travel, and it  
9 won't surprise you that I am only going to be approving the  
10 economy flights. And I want, if it's available, the average  
11 hotel rate in each city. My assumption is most of these  
12 depositions took place in New York, and the attorneys are in  
13 New York so I think that will basically just drop out. My  
14 guess is I am not asking for a great deal of information for  
15 the hotel rates, but I do think it is relevant.

16 Then perhaps a minor matter. I want the per page  
17 copying rate for each firm.

18 Now, let's turn to the next group, which is contract  
19 attorneys. Kirby McInerney is telling me, and I have no reason  
20 to doubt it because I don't have the information, they are  
21 telling me that the qualifications are the same for contract  
22 attorneys as for Kirby McInerney attorneys. And again, I am  
23 just using Kirby McInerney, but I mean every firm.

24 If I understand the submissions, Kirby McInerney is  
25 saying, Mr. Frank is saying, we don't know who those contract

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1 attorneys are, and he is also saying they are paid less than  
2 regular attorneys. I have responded to that. That's  
3 irrelevant to me. But I do need to know their skills,  
4 experience, qualifications, reputation so I can attempt to  
5 determine what the market rate is for their services vis-a-vis  
6 regular associates and partners.

7 Kirby McInerney says, you know, Mr. Frank, who the  
8 contract attorneys are because you have the bios of our lawyers  
9 and everybody else is a contract attorney. That's not terribly  
10 helpful to me because I don't think I should be accepting at  
11 face value the fact that, because Miss So and So went to NYU  
12 Law, that's a woman who you both seem to focus on, therefore  
13 her qualifications are the same as everybody else. And because  
14 some of these contract attorneys happen to work for major firms  
15 their qualifications are the same. I think I need more  
16 information than that.

17 Kirby McInerney says it went through, I don't know,  
18 100 bios and chose only one out of three or four. I think  
19 those are the basic figures. And they were seen by two or  
20 three personnel. When I see a word like that, I am not sure  
21 who the personnel is, although you do say that it was often  
22 Mr. Press and Mr. Linden who were reviewing people. But what I  
23 want is, because you gave me the bios of your firm people, I  
24 want the bios of the contract people. Presumably those are  
25 available. I don't want you to be going to whatever agency

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